

Message Text

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44

ACTION ARA-10

INFO OCT-01 EUR-12 ISO-00 ARAE-00 SSO-00 NSCE-00 USIE-00

INRE-00 CIAE-00 DODE-00 PM-03 H-01 INR-07 L-02

NSAE-00 NSC-05 PA-01 RSC-01 PRS-01 SP-02 SS-15 AID-05

COME-00 EB-07 LAB-04 SIL-01 NIC-01 SY-04 SCCT-01 /084 W
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O P 141200Z JAN 75

FM AMCONSUL CURACAO

TO SECSTATE WASHDC IMMEDIATE 2105

INFO AMEMBASSY THE HAGUE PRIORITY

AMEMBASSY CARACAS PRIORITY

AMCONSUL PARAMARIBO PRIORITY

AMCONSUL MARTINIQUE

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FOR ARA/CAR BURKE AND HIGH

E.O. 11652: N/A

TAGS: PINS, ELAB, CASC, NA

SUBJECT: LABOR PROBLEMS ON CURACAO

REF: CURACAO 0017

1. SUMMARY. THE THREAT OF A GENERAL STRIKE AND OTHER SIGNS OF THE TENSE SITUATION THAT PREVAILED ON CURACAO FROM JANUARY 7-10 HAVE SOMEWHAT ABATED. (SEE CURACAO'S 0017). ALTHOUGH CHARGES ARE STILL PENDING, THE THREE HORECAF (HOTEL WORKERS UNION) LEADERS WERE RELEASED FROM POLICE CUSTODY BY AN INVESTIGATING JUDGE AND ARE NOW AWAITING TRIAL; HORECAF WORKERS RETURNED TO WORK ON JANUARY 11. ASSESSMENTS OF THE DAMAGE TO CURACAO'S TOURISM INDUSTRY CANNOT YET BE MADE; IN LARGE MEASURE, IT WILL DEPEND ON THE EXTENT AND TENOR OF PUBLICITY CONCERNING THE TEMPORARY SHUT-DOWN OF THE HILTON AND
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INTERCONTINENTAL HOTELS. END SUMMARY.

2. HORECAF WORKERS, WHO HAD LEFT THEIR JOBS IN PROTEST AGAINST THE INCARCERATION OF THE THREE UNION LEADERS, RETURNED TO WORK IN THE EARLY EVENING OF JANUARY 11, AFTER THE INVESTIGATING JUDGE HAD RELEASED HORECAF PRESIDENT SEMEREL AND TWO OTHER UNION LEADERS. NORMAL OPERATIONS WERE RESUMED SHORTLY THEREAFTER IN ALL CURACAO HOTELS, EXCEPT FOR THE HILTON AND INTER-CONTINENTAL HOTELS, FROM WHICH NEARLY ALL THE GUESTS HAD EVACUATED ON ADVICE OF THE HOTEL'S MANAGEMENT. THE PROPOSED SYMPATHY STRIKES DID NOT MATERIALIZE.

3. EARLIER ON JANUARY 11, THE INVESTIGATING JUDGE RULED COMPLETE THE PRELIMINARY INVESTIGATION OF THE KIDNAPPING CHARGES AGAINST THE THREE UNION LEADERS. THEY WERE RELEASED PENDING TRIAL FOR WHICH NO DATE HAS YET BEEN SET; THE CHARGES HAVE NOT BEEN WITHDRAWN BY EITHER DE ALDREY OR PIRINGER, WHO HAS LEFT THE ISLAND PERMANENTLY.

4. THE FOREIGN MANAGEMENT OF INTERCONTINENTAL HOTEL DEPARTED CURACAO EN MASSE ON JANUARY 10, STATING THAT INTERCONTINENTAL'S MANAGEMENT CONTRACT WITH LOCAL HOTEL HOLDING COMPANY HAD BEEN BREACHED AND LEAVING AN ANTILLEAN EMPLOYEE AS A CARETAKER. A DELEGATION FROM INTERCONTINENTAL HOTELS INC., INCLUDING THE PRESIDENT AND THE REGIONAL VICE PRESIDENT, ARE DUE TO ARRIVE ON JANUARY 13 TO DISCUSS THE ISSUE WITH GNA OFFICIALS AND REPRESENTATION OF THE LOCAL HOLDING COMPANY. AMONG THE SUBJECTS REPORTEDLY TO BE DISCUSSED WILL BE INTERCONTINENTAL'S PROPOSAL TO ABANDON ITS CURACAO OPERATION.

5. IN A RELATED LABOR ISSUE, TEXAS INSTRUMENTS (TI) HAS ANNOUNCED TO THE GNA AND UNION REPRESENTATIVES ITS INTENT TO LAY OFF HALF OF ITS 900 EMPLOYEES. LOCAL NEWSPAPERS HAVE CARRIED THE STORY; GNA OFFICIALS AND THE PUBLIC ARE DEEPLY CONCERNED. TI, IN ACCORDANCE WITH LOCAL LAW, WILL PAY 60 DAYS SEVERANCE PAY, THUS POSTPONING THE DETRIMENTAL ECONOMIC IMPACT FOR THAT PERIOD.

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THE TIMING OF THE TI LAY-OFF COULD NOT HAVE COME AT A MORE INOPPORTUNE TIME.

6. STILL PENDING IS THE REACTION TO PRIME MINISTER J.M (JUANCHO) EVERTSZ'S PROPOSAL TO CHANGE THE CALCULATION OF COST OF LIVING INCREASES FOR ALL ANTILLEAN WORKERS RETROACTIVE TO JULY 1, 1974, THE DATE OF THE LAST COL INCREASE. EVERTSZ' PROPOSAL WOULD GIVE WORKERS EARNING

UP TO NAF 8,000 ANNUALLY A COL RAISE OF 100 PERCENT OF THE STATISTICAL INCREASE IN THE COL WITH DECLINING PERCENTAGES ABOVE THAT FIGURE. THOSE EARNING NAF 30,000 AND ABOVE WOULD BE LIMITED TO THE SAME AMOUNT AS THOSE IN THE NAF 8,000 BRACKET RECEIVED. UNIONS HAVE EXPRESSED THE OPINION THAT ANY CHANGE IN WAGE ADJUSTMENTS SHOULD NOT BE RETROACTIVE BUT SHOULD TAKE EFFECT ON JANUARY 1, 1975. THE TEACHERS' UNION, WHOSE MEMBERS PAY IS GENERALLY HIGHER THAN MOST GOVERNMENT WORKERS IS OPPOSED TO THE NEW PLAN AND HAS CALLED A GENERAL MEETING FOR JANUARY 14. IN THE MEANTIME, OTHER UNIONS REPRESENTING CIVIL SERVANTS, POLICE AND HARBOR PILOTS HAVE ALL STRIDENTLY VOICED THEIR OPPOSITION TO PM EVERTSZ'S PLAN AND HAVE THREATENED QTE ACTION UNQTE IF IT SHOULD BE ENACTED.

7. COMMENT: THE RELEASE OF THE HORECAF LEADERS, DESPITE THE HARD LINE JUSTICE MINISTER VOS TOOK ON A TELEVISED DISCUSSION, CAN BE VIEWED AS A PARTIAL VICTORY FOR HORECAF, BUT MORE IMPORTANT THE RELEASE HAS CALMED THE VOLATILE CLIMATE IN WILLEMSTAD, AT LEAST MOMENTARILY. WITH THIS RECENT BLOW, BRINGING TOURISM TO A LOW POINT, RISING UNEMPLOYMENT AND AN ANNUAL INFLATION RATE OF 25 PERCENT IT IS LIKELY THAT MORE LABOR PROBLEMS WILL SURFACE IN THE FUTURE. THOSE LABOR PROBLEMS COULD FOCUS ON PM EVERTSZ'S COL PLAN, WHICH IS CERTAIN TO CLASH WITH AROUSED UNION SENTIMENT; WHETHER PM EVERTSZ AND THE GNA CAN WITHSTAND UNION PRESSURE AND FOLLOW THROUGH ON THE PROOSAL REMAINS TO BE SEEN.
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